

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, November 8, 2013
City of Nogales
City Hall Council Chambers
777 North Grand Avenue
Nogales, Arizona 85621

The Pledge of Allegiance was led by Chairman Flores.

Roll call by Board Secretary Lila Trimmer

In attendance: Hank Rogers, Joe La Rue, Steve Christy, Victor Flores, and William Cuthbertson (arrived 15 minutes after initial roll call)

Absent: Deanna Beaver and Kelly Anderson

Opening Remarks

Chairman Flores thanked Mayor Garino, Vice Mayor Nubar Hanessian, staff and all the council members for their hospitality in hosting the Board dinner last night and today's Board meeting. Nogales is vital to the economy of the state.

Call to the Audience

Citizens addressed various issues:

1. Chris Kuknyo, Prescott City Council and Chair/Central Yavapai Metropolitan Planning Organization (CYMPO), re: 2014 Rural Transportation Summit, SR 89 and SR 89A completion projects, local partnering and economic development
2. Anne McGreevy, Friends of Scenic Highway 82-83, re: SR 83 south of Sonoita to Parker Canyon Lake
3. John Moffatt, Strategic Planning Director/Pima County, re: I-11 Alternative Route C, Trade and Commerce and the I-11 corridor and the Mariposa Port of Entry
4. Randy Heiss, Executive Director/SouthEastern Arizona Governments Organization (SEAGO), re: HURF revenues, Coordinated Border Infrastructure Program (CBI), and Ports of Entry
5. Arturo Garino, Mayor of Nogales, re: Welcoming remarks, SR 189, Nogales Port of Entry, and economy of Arizona
6. Shane Dille, Nogales City Manager, re: SR 189 and economic development
7. Bruce Bracker, Chair/Greater Nogales Santa Cruz County Port Authority, re: SR 189, current improvements, truck traffic, and economy
8. Si Schoor, Attorney at Law/Lewis Roca and Rothgerber, re: Intermountain West Corridor Study (I-11)
9. Ted Maxwell, Vice President/Southern Arizona Leadership Council, re: Intermountain West Corridor Study (I-11)

ITEM 1: State Engineer's Report — Jennifer Toth, Deputy Director of Transportation/State Engineer

Jennifer thanked the Board for moving the State Engineer's report to the beginning of the agenda in order to recognize Todd Emery, former Tucson District Engineer. Todd is the recipient of the Young Engineer Award at the University of Arizona today.

Jennifer reported 90 projects under construction totaling almost \$900 Million and fiscal year to date, 67 projects were finalized.

Regarding the US 89 landslide project, Jennifer stated the final fix and cost estimate is \$25 Million. There are no other updates at this time.

***ITEM 2: Construction Contracts — Jennifer Toth, Deputy Director of Transportation/State Engineer**

***ITEM 2a:** The proposed work is located in Maricopa County, within the City of Goodyear, on Estrella Parkway from Van Buren Street to McDowell Road and on Pebble Creek Parkway from McDowell Road to Indian School Road. The work consists of installation of fiber optic conduit and cables in both proposed and existing conduit, Ethernet switches, video encoders, CCTV cameras, and other equipment necessary to extend the City’s traffic management system.

***ITEM 2a:** BIDS OPENED: October 04, 2013 Page 149
HIGHWAY: CITY OF GOODYEAR
SECTION: ESTRELLA PARKWAY & PEBBLE CREEK PARKWAY
COUNTY: MARICOPA
ROUTE NO.: Local
PROJECT : TRACS: CM-GDY-0(203)T : 0000 MA GDY SS89601C
FUNDING: 94% FEDS, 6% LOCAL
LOW BIDDER: ROADWAY ELECTRIC, LLC
LOW BID AMOUNT: \$ 409,169.00
STATE ESTIMATE: \$ 616,599.00
\$ UNDER ESTIMATE: (\$ 207,430.00)
% UNDER ESTMATE: (33.6%)
PROJECT DBE GOAL: 0.40%
BIDDER DBE PLEDGE: 0.70%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

Comments:

Bids were received from six contractors ranging from a low bid of \$409,169.00, to a high bid of \$883,708.86. Most unit prices submitted by Roadway Electric, LLC compared favorably to those contained in the State's estimate. Reasons for the difference were electric conduit – directional bore, fiber optic cable, fiber optic splicing, and CCTV field equipment.

Jennifer stated the proposed work is within the City of Goodyear and consists of installation of fiber optic cable, cameras, and other equipment necessary to expand the City’s traffic management system. In discussion with the low bidder, the differences in cost can be attributed to differing production rates and materials costs. Based on those four items and the Department’s analysis, the Department recommends award to Roadway Electric.

A motion to accept and approve Staff’s recommendation on Item 2a to award contract to Roadway Electric, LLC was made by Joe La Rue and seconded by Steve Christy. In a voice vote, the motion carries.

***ITEM 2b:** The proposed work is located in Gila County on US 60, approximately 10 miles west of Carrizo. A portion of the project is located within the While Mountain Apache Tribe jurisdiction. The project begins at milepost 304.8 and extends northeast to milepost 310.5. The work consists of realigning roadway, extending drainage culverts, constructing gabion wall, milling and replacing asphaltic concrete, constructing a trench drain system, reconstructing guardrail, replacing guardrail end terminals, stabilizing slopes by constructing soil replacement columns, replacing pavement markings, and other miscellaneous work.

***ITEM 2b:** BIDS OPENED: October 04, 2013 Page 153
HIGHWAY: GLOBE-SHOW LOW HWY US 60
SECTION: FLYING V CANYON TO SQUAW DRESS RIDGE

COUNTY: GILA
ROUTE NO.: US 60
PROJECT : TRACS: STP-060-E(211)T : 060 GI 304 H778601C
FUNDING: 94% FEDS, 6% STATE
LOW BIDDER: FNF CONSTRUCTION, INC.
LOW BID AMOUNT: \$ 5,675,943.75
STATE ESTIMATE: \$ 4,426,447.75
\$ OVER ESTIMATE: \$ 1,249,496.00
% OVER ESTMATE: 28.2%
PROJECT DBE GOAL: 5.01%
BIDDER DBE PLEDGE: 5.18%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

Comments:

Five bids were received on this project. Bid amounts ranged from \$5,675,943.75 to \$6,972,743.10. A review of the bid tabulations indicates that the items listed account for the majority of the difference between the State's estimate and the low bid.

Jennifer stated that the proposed work is located in Gila County on US 60 approximately 10 miles west of Carrizo. The work consists of realigning part of the roadway and milling and filling the existing roadway. Discussions with FHF Construction; this project revealed the main differences in the price are due to production rates in different mobilization that FNF will need to do in the slopes in the roadway excavation. Based on those discussions and the analysis, the Department recommends award to FNF Construction, Inc.

Motion to accept and approve Staff's recommendation to award contract to FNF CONSTRUCTION, INC. was made by Hank Rogers and seconded by Steve Christy. In a voice vote, motion carries.

ITEM 3: District Engineer's Report—Rod Lane, Tucson District Engineer

Rod described the Tucson District having three interstates, I-8, I-10, and I-19. The District also has a significant rural component. Nogales, Sasabe, and Lukeville are the three international border crossings within the District. The District extends out into five council of governments and metropolitan planning organizations and portions of five Tribal Nations. Rod reported on current, pending, and new projects in the Tucson District. The District is working on several long range studies. They are the I-10 Tangerine Road to Ina Road. I-10 East with the feasibility study complete; however, they are split into two studies, one is urban (I-19 to SR83), and the other is rural (SR83 to SR 90). These should be done by fiscal 2016. The I-19 Rio Rico to Ruby Road study is estimated for completion in the summer 2014. The last study is SR 189, which is from the International Border to I-19. The plan is to remove the design concept report (DCR) and move the study into a Planning Environmental Linkage (PEL), which would be without the constraint of a funding source.

ITEM 4: Director's Report—John Halikowski, Director

Director Halikowski stated two days ago, three ADOT employees from the Tucson regional striping crew were involved in an early morning crash. The striping crew was out at 2 AM on Interstate 10 when they were struck by a semi. The crash resulted in all being injured and transported to the hospital. Two employees have since been released and today one remains hospitalized but has been moved out of the ICU. Another crash occurred this Monday where a commercial truck hit an attenuator truck on I-40. This heightens the need to remind drivers to pay attention to the road. The ADOT trucks are fully lit up and completely visible but in the last crash on I-10, the truck driver stated he did not see the ADOT vehicle even though the attenuator truck was completely lit up.

The Director stated that there has been a lot of press coverage on these recent events. On Tuesday October 29 on I-10 at milepost 214, there was the 20 vehicle dust-related accident that resulted in three fatalities and eight injuries. I-10 has become a major corridor and congested with commercial and non-commercial traffic. Last year ADOT formed a Dust Task Force. Actions that came from that task force were the Pull Aside, Stay Alive Safety Campaign launched in June 2012. ADOT is also monitoring weather forecasts from the National Weather Service and the use of message boards along the interstate to warn motorists. This particular last dust incident was labeled a dust ribbon. It was less than 2500 feet in altitude so it did not get onto the National Weather Service radar and it did not trigger a warning for ADOT. The dust ribbon lasted less than ten minutes and caused low visibility and then completely dissipated. ADOT continues to research other feasible engineering solutions to install and prevent dust-related accidents on this region of I-10 between Phoenix and Tucson. The dust in many cases is outside of ADOT's right of way. The region's policy makers, stake holders, and private landowners have to become involved in dust control efforts. In 2011, ADOT launched a pilot project that is testing a weather-warning system that includes dust, rain, snow and wind storms. The system is set up in a dust prone area off I-10 near Willcox. Instrumentation detects adverse weather conditions and then alerts travelers of high winds and limited visibility. The pilot study is nearing completion and will determine the effectiveness and types of warning systems that ADOT will evaluate for potential implementation in other dust prone and adverse weather areas. The Director called the Dust Task Force to meet this Tuesday in a brainstorming session for near-term, medium- and long-term solutions. Thirty-seven ideas were generated, which are currently being evaluated. The Director also announced that ADOT was among one of 19 agencies nationwide selected for a year-long study on the impact of extreme weather events on the state's freeways. ADOT received a \$125,000 grant from FHWA for the pilot program. The study will focus on extreme weather impacts on I-10, I-17, and I-19 along with bridges, roadways, and other facilities.

The Director gave an overview of the Transportation and Trade Corridor Alliance (TTCA) subcommittees. The Department has been working on an initiative called Key Commerce Corridors (KCC) for the last three years. The Department recently presented an overview of the KCC to the Transportation Board at their last Study Session. The Key Commerce Corridor effort takes a look at the state highway systems and interstates for investment and new construction where it is needed the most. The initiative was presented to the TTCA last week and was well received. It has received positive feedback on the fact that the state needs to take care of its essential framework if it is going to resolve economic issues. The plan is to make the Key Commerce Corridors issue a chapter within the TTCA's final report, which is to be presented to the Governor at the end of January 2014.

The TTCA also discussed Mexico and the ports of entry. The Board received an overview of Mexico and the current situation at the ports related to trade, movement of people, and issues with infrastructure and processes. The Mexico Port of Entry Committee gave their recommendations, which included incorporating information on SENTRI lanes at the Douglas, Nogales, and San Luis ports of entry into their business recruitment efforts and implementing recommendations and strategies to grow Arizona's exports to Mexico from \$6.2 billion in 2012 to \$10 billion by 2020. Also mentioned was the need to facilitate travel for Mexican tourists to Arizona and the need to increase the customs border patrol staffing for truck movement and tourists movement and additional staffing at the airports. The Mexico Port of Entry Committee's other recommendation included creating strategies to convert ports of entry into transshipment points, which are two-directional or multi-directional hubs for the flow of goods and people.

Other TTCA committees reporting were the Freight/Logistics & Supply Chain Development and Education and Communication. Arizona sits at a strategic spot for certain supply chains in between the three

markets of Texas-Mexico-California, forming a supply network that reflects a “T” shape, Southern California to the west and Texas to the east and to the south is the Republic of Mexico with a growing gross domestic product (GDP). The Education and Communication Committee has big ideas for Arizona that includes the need to be globally connected and engaged in the 21st century and building its economy through growth. Arizona must invest in new infrastructure and key commerce corridors to augment business to the state. TTCA’s expectations are that some of their recommendations will make it into the Governor’s State of the State address and be highlighted at that time.

***ITEM 5: Consent Agenda**

A motion to approve and accept the Consent Agenda as presented was made by Steve Christy and seconded by Joe La Rue. In a voice vote, the motion carries.

***ITEM 6: Arizona State Transportation Board Policies—Floyd Roehrich, Jr., Deputy Director of Policy**

Link: [Transportation Board Policies](#)

A motion to accept and approve the 2013 Transportation Board Policies was made by Steve Christy and seconded by Hank Rogers. In a voice vote, the motion carries.

ITEM 7: Financial Report—Kristine Ward, Chief Financial Officer

Kristine reported that the HURF is doing well and remains in target range and collections are \$400 million to date in revenues. October is above forecast at \$99.5 million. Diesel is still lagging behind above last year but a little below forecast. VLT revenues continue to be strong although last year there was tremendous growth in the new-to-Arizona registrations and presently are 8% behind last year’s growth at this time. The RARF report shows strong growth at 1.1 % above forecast and retail sales is 10.9% over last year and 4.2% above forecast. Contracting revenues is showing significant growth at 19.5%, which is large growth off of a small base. Overall for both HURF and RARF, they are within the targets and there are no negative impacts. Kristine gave a brief update on the debt financing program simply stating that HURF has the capacity but no cash and regarding RARF; there is capacity but at this point for projects, it is not necessary to issue additional bonds. Lastly, the cash management account has earned \$3 million year to date at a yield of 0.89%. Kristine next reported on the Federal Aid Program specifically the Federal Highway Trust Fund in that it has problems. There are not adequate revenues to fund on-going outlays. Fuel taxes are the primary source of revenues into the highway trust fund and they are not able to support the current level of need. Overall fuel taxes represent 91% of revenues that are flowing into the federal highway trust fund. MAP-21 continues to rely on the highway trust fund, the backbone of federal funding. There have been various transfers primarily from the federal general fund of \$53 Million to cover the gap between the gas tax receipts and the outlays. By federal fiscal year 2015 when MAP-21 ends, Congress will have a gap to deal with. The federal highway trust fund outlays are estimated to outpace receipts by \$15 Billion or more per year and Congress anticipates having to transfer \$15 Billion per year through the next 20 years into the highway trust fund to keep the fund solvent.

ITEM 8: Public-Private Partnerships (P3s) and Rest Areas—Gail Lewis, Director, Office of P3 Initiatives and International Affairs

A P3 is a close partnership between the public sector and a private partner for development, finance, operations and maintenance. It is used for both vertical and horizontal projects and a means to leverage limited funds to get more projects per dollar. A P3 will shift risk from the public to the private sector. P3s are not free money. There must be a revenue source. P3s are a financing tool and not a funding tool. The types of partnerships are design, build all the way to design, build, finance, operate, and maintenance. P3s allow ADOT to solicit projects, but also receive unsolicited projects. They give ADOT significant authority to enter into negotiations and agreements. P3s can use a number of revenue sources as repayment,

including revenue bonds, Grant Anticipation Notes, and tolls and fees. The path and process to achieve a P3 is first identified, then the proposal is put through analysis and review, and finally it is run through procurement and awarded. In October the agency's first active public-private partnership was contracted for fourteen rest areas. A P3 would provide for new amenities for a better experience for travelers. Also recently allowed are sponsorships that features could include Wi-Fi access, dog-walking areas, charging stations for electric vehicles and ATM machines. Through revenue sharing, it provides some additional revenue for ADOT that will help fund highway projects. In other areas, using a P3 approach allows ADOT to trade existing property for new office space with no out-of-pocket cost. P3s allows a city to do roadway improvements through ADOT's existing property. They allow the highest and best use of downtown property. Potential future highway projects are the South Mountain Freeway, North-South Corridor (Pinal County), and managed lanes in metro Phoenix, and I-11.

ITEM 9: MPD Report—Scott Omer, Assistant Director, MPD

Scott stated that with the Board passing the revised Transportation Policies today, next month there will be a minor change in the Consent Agenda. Some of the PPAC project modifications, if they fall under the threshold, less than 15% or \$200,000. Those projects will be listed on the consent agenda but only for project modifications and not new projects.

Scott gave a brief update on the Intermountain West Corridor Study (I-11). The Department is continuing the partnership with Nevada DOT and is still on schedule for completion sometime next summer. The southern Arizona connections in Nogales and into Mexico are of great interest to the region and the southern connections to Mexico are important to the entire corridor. There have been several meetings with PAG and Pima County Administrator Huckleberry concerning the proposed connections as we move forward. A corridor has not yet been determined as the Department follows the federal process and do not impact the eventual NEPA document. There continues to be a great deal of interest and communication with the stake holders and regional partners. At this time, the Department cannot say it has chosen any corridor along the entire segment.

***ITEM 10: Priority Planning Advisory Committee (PPAC)—Scott Omer, Assistant Director, MPD**

Project Modifications – *Items 10a through 10j-1

A motion to accept and approve Project Modifications Items 10a through 10j-1 as presented was made by Steve Christy and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

New Projects – *Items 10k and 10l

A motion to accept and approve New Projects Items 10k and 10l was made by Steve Christy and seconded by Hank Rogers. In a voice vote, the motion carries.

FY 2014 - 2018 Airport Development Program—Requested Modifications

Airports – *Items 10m through 10ad

A motion to accept and approve Airports Items 10m through 10ad as presented was made by Steve Christy and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

ITEM 11: Suggestions of Agenda Items for Future Board Meetings

1. Board Member Steve Christy on behalf of the Southern Arizona Stake Holders presented a resolution regarding the Intermountain West Corridor Study (I-11) for consideration and support from the Board at their next Board meeting.

2. Board Member Joe La Rue requested a report of the Dust Task Force Committee recommendations, the progress of SR189, and more information of a Planning Environmental Linkage (PEL).

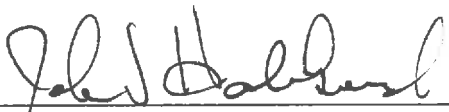
Adjournment

A motion to adjourn was made by Steve Christy and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

Meeting adjourned 10:40 A.M. MST

A handwritten signature in black ink, consisting of several sharp, radiating lines that form a starburst or fan shape. The lines originate from a central point and extend outwards in various directions, including upwards, downwards, and horizontally.

Victor Flores, Chairman
State Transportation Board

A handwritten signature in black ink, written in a cursive style. The signature appears to read "John S. Halikowski".

John S. Halikowski, Director
Arizona Department of Transportation